

# **DIVISION OF ACCOUNTS AND REPORTS POLICY AND PROCEDURE MANUAL**

**Revision Date** 07/01/03

**Date Issued** 08/79

**Revisions marked #**

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**Filing Number** 10,753

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## **SUBJECT**

Prepaid Independent Parcel Delivery Service Accounts

## **PURPOSE**

To establish application procedures, accounting controls and reimbursement methods for the funds advanced.

## **AUTHORITATIVE REFERENCE**

None

## **GENERAL INFORMATION**

Any state agency desiring to establish and Independent Parcel Delivery Service Fund must make application to the Director of Accounts and Reports. The use of this fund is limited to making advance deposits against which future package delivery services will be charged.

<b>Responsibility</b>	<b>Action Step</b>
Agency	<ol style="list-style-type: none"><li>1. Prepare form DA-77, Application for Independent Parcel Delivery Service Advance Fund. Calculate the initial advance covering an estimated five weeks of package pick-up and delivery service.</li><li>2. Acquire signature of appropriate official representative of the local office of the parcel delivery service.</li><li>3. Acquire signature of appropriate agency official.</li><li>4. Forward a signed copy of the application form to the Audit Services Team of the Division of Accounts and Reports.</li></ol>
Accounts and Reports	<ol style="list-style-type: none"><li>5. Review the application form, and affix the approval of the Director of Accounts and Reports.</li></ol>

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6. File the original application form and return a copy to the agency.
- State Agency 7. Prepare payment voucher, DA-103 or DA-120, for the amount of the advance. Use expenditure sub-object 7260 and charge the advance to the same funding source normally used to pay for delivery service. Forward the voucher and a copy of the approved application to the Audit Services Team of the Division of Accounts and Reports. Agencies with delegated audit authority should process the documents in accordance with the agency's procedures.
- Accounts and Reports 8. Review and process the payment voucher and issue a warrant.
- State Agency 9. Send the warrant, a copy of the signed application form and other appropriate documents to the independent parcel delivery service company.
10. As packages are picked up or delivered by the independent parcel delivery service, obtain a charge ticket for the cost to be charged against the prepaid account. Accumulate charge tickets and retain for account reconciliation.
11. When the unexpected balance of the prepaid account reaches approximately one-fourth (1/4) of the original amount advance, prepare a payment voucher, DA-120 or DA-103, payable to the parcel delivery service for the amount of charge tickets received and in the file. The voucher should be charged to the same funding source to which the tickets would have been charged had there been no prepaid expenditures. Use expenditure subobject 2190, other freight. Include the delivery period on the voucher as well as a notation that the delivery tickets are filed at the agency.
12. At least once each month, use form DA-67 to reconcile the unexpended balance of the prepaid account to the weekly balance report provided nearest the end of each month by the parcel delivery service. Submit the DA-67 for the June reconciliation to the Division of Accounts and Reports, Audit Services Team.

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13. As of June 30 each year, replenish the fund as described in step 11, to restore the fund to the full original amount of the advance, regardless of the unexpended balance amount.
14. When the advance fund is no longer considered necessary, attempt to minimize the balance remaining with the parcel delivery service after all replenishment vouchers have been cleared. Request a final report of account balance from the delivery service plus a refund check for the final balance payable to the fund from which the advance was made.
15. Prepare a final reconciliation, Form DA-67, showing the refund check as a replenishment voucher. The total approved advance fund should equal the refund amount plus the tickets on hand.
16. # Deposit the refund check with the State Treasurer using a SOKI<sup>3+</sup> Receipt Voucher into the account from which the advance was originally created. Use revenue sub-object code 6223, Refunds of Advances.
17. # Forward a copy of the final reconciliation Form DA-67 with the receipt voucher number printed on the form to the Division of Accounts and Reports, Audit Services Team, so that the prepaid account can be noted as closed.

## **CONTACT SOURCES**

Questions relating to prepaid independent parcel delivery accounts should be directed to:

Division of Accounts and Reports  
Central Accounting Services Section  
Audit Services Team